



**BOARD MEETING MINUTES
(DRAFT) July 14, 2011**
Kern County Board Chambers
Bakersfield, California
And
CA Department of Transportation – District 11
San Diego, CA

The public meeting of the California High-Speed Rail Authority Board was called to order on July 14, 2011 at 11:09 am at the Kern County Board Chambers, Bakersfield, CA and the CA Department of Transportation District 11, San Diego, CA.

Members Present: Thomas Umberg, Chairman
Lynn Schenk, Vice-Chair (San Diego)
Tom Richards, Vice-Chair
Matt Toledo
Bob Balgenorth
Russell Burns
Curt Pringle

Members Absent: David Crane
Jim Hartnett

Pledge of Allegiance:

The pledge of allegiance was administered by Member Pringle.

Agenda Item #1 Public Comment

An opportunity for public comment was provided. Positive support for High Speed Rail was voiced, including many Palmdale residents that encouraged the Board to continue with the study of providing access and a station for their community. Concerns were also raised, many by the residents and agricultural entities of Kings County.

Chairman Umberg made an announcement that under Government Code Section 11125.3, in closed session today, they would be discussing the lawsuit filed by the City of Palmdale. There was not an appropriate opportunity to provide 10 days' notice but, the requisite 48 hours' notice as required in 11125.3 Sub-(b), had taken place. A vote was called to approve this discussion and passed unanimously. (7-0)

Agenda Item # 2 – Approval of Meeting Minutes

Member Burns moved to approve minutes from the June 2, 2011 meeting; seconded by Mr. Toledo. Motion passes. (7-0)

Agenda Item # 3 – Executive/Administrative Committee Report

Chairman Umberg reported that the Executive/Administrative Committee had met earlier in the morning of July 14th. Jeff Barker then provided a brief legislative update. Chairman Umberg discussed that the Committee has asked that rather than take a position of support or oppose, that the Board would adopt comments on the proposed legislation and then forward to the appropriate bill authors and their committees.

The next item reviewed was the Right of Way Services consultants contracts Request for Proposal (RFP). Resolution number HSRA 11-20 recommended by the Executive Committee was somewhat modified from what was in the board book and was read into the record by Chairman Umberg:

Resolved: That the Board authorizes the CEO to issue one or more RFPs and conclude contracts for Right of Way Services in the amount not to exceed \$40 million. Staff will provide further clarification of terms at the next Board Meeting on August 25, 2011. At that time, the Board may cancel the RFPs or to the extent permitted by law, modify the RFP terms if the Board concerns are not met.

Motion to adopt resolution number HSRA 11-20 was made by Vice-Chair Richards; seconded by Vice-Chair Schenk. Motion carried unanimously. (7-0)

Chairman Umberg discussed resolution HSRA 11-18, the adjustment and the extension of the existing regional consultant's contract. Staff has recommended that the Board authorize the CEO to negotiate a contract amendment with STV through Fiscal Year 2013/14 in the amount not to exceed \$17 million to complete the environmental approval and 30% design preliminary engineering work. Mr. Pringle made a motion for the Board to adopt resolution HSRA 11-18; seconded by Vice-Chair Richards; motion carried. (6-1)

The Committee also had a discussion on the Outreach & Communications RFP and Contract. The Committee agreed to issue the RFP with a slight modification. The ultimate recipient of the RFP, the Contractor, must provide a complete comprehensive strategy to the Board within 45 days of the contract being signed. Mr. Toledo moved to adopt the recommendation; seconded by Vice-Chair Schenk; motion passed unanimously. (7-0)

Agenda Item # 4 – Operations Committee Report

Mr. Pringle informed the Board that the Committee had adopted the minutes from the last meeting. There was also a quarterly report from the Program Management Team and the Program Management Oversight Team. The Committee also heard a procurement strategy discussion and demonstrated by a vote, to support the presentation that was made as the Staff was looking to develop a Design Build context for procurement for the construction phasing for the Central Valley.

Chairman Umberg continued the Public Comment portion of the meeting.

Agenda Item # 12 – Closed Session

Chairman Umberg adjourned the Board to closed session at 1:08 pm.

The Board returned from closed session at 2:00 pm. Without anything to report from the closed session, Chairman Umberg resumed the meeting.

Agenda Item # 5 – Presentation on Merced-Fresno and Fresno-Bakersfield Draft Environmental Impact Report/Environmental Impact Statements

Public comment was provided for this agenda item.

Central Valley Program Manager Jeff Abercrombie provided a presentation with an update on the proposed dates schedules and procedures following the upcoming release of the Merced to Fresno, Fresno to Bakersfield Draft Environmental Impact Report (EIR) and Environmental Impact Statement (EIS). Deputy Director Dan Leavitt then

presented recently received input from the US EPA and US Army Corps of Engineers on the various alignments and particularly relating to the WYE.

The recommendation to the Board is to approve resolution HSRA 11-19 as outlined briefly:

1. Work with the U.S. Environmental Protection Agency and the U.S. Army Corps of Engineers to provide additional documentation on the Western Madera and West of Hanford alignments;
2. Incorporate preliminary information on SR 152 and related Wyes into the Merced-Fresno Draft EIR/EIS
3. Add SR 152 and Wyes into the range of alternatives for the San Jose-Merced Draft EIR/EIS
4. Adjust the scope of decision making for the Merced-Fresno EIR/EIS to focus only on making the north/south alignment determination for Merced-Fresno, and to focus the San Jose-Merced EIR/EIS process for a decision on the east/west and Wye alternatives.

Vice-Chair Schenk made a motion to adopt proposed resolution HSRA 11-19; seconded by Vice-Chair Richards; motion carried unanimously. (7-0)

Agenda Item # 6 – Alternatives Analysis on San Jose to Merced Section, Concentrating on the WYE in the Proximity of Chowchilla

Dan Leavitt introduced Dave Manson who provided a presentation of the Supplemental Alternatives Analysis Report for the San Jose to Merced section. The recommendation to the Board is that the SR-152 alignment and Wye configurations described in the Supplemental Alternatives Analysis be carried forward in the San Jose to Merced Draft EIR/EIS.

Mr. Toledo made a motion to adopt the recommendation; seconded by Vice-Chair Richards; motion carried unanimously. (7-0)

Agenda Item # 7 – Initial Operating Segment

Public comment was provided for this item.

Hans Van Winkle provided a presentation on this informational item and described how the Initial Construction Section (ICS) will eventually be extended to an Initial Operating Section (IOS). This concept will be incorporated into the business plan. Until the ridership study and business plan are completed, the items were a geographically and conceptual discussion. The Board accepted the approach taken by Staff.

Agenda Item # 8 – Update of the San Francisco – San Jose Section

CEO van Ark provided an informational update regarding the discussions that the Authority had with legislators regarding the clarification of the San Francisco to San Jose phased implementation and/or blended system. Work on this section was still limited until it will be cleared what the way forward would be.

Agenda Item # 9 – Presentation by KPMG, the Contractor Which Has Been Awarded the Financial Advisory Services Contract

CEO van Ark introduced Kurt Ramey from KPMG. Mr. Ramey addressed the Board and advised them that KPMG has been awarded the contract to assist with the business plan and other activities related to financial services for the Authority. Mr. Ramey provided information of the team that will deliver these services and an opportunity to answer any questions that the Board had.

Agenda Item # 10 – Members' Report

Chairman Umberg reported that there had been an interaction and speech at the Spanish Delegation. The Spaniards seem quite interested in assisting in any way they possibly can in our project here. A number of companies as well as the Government of Spain and other institutions of Spain were very receptive to the meeting with us and want to help California.

Mr. Pringle reported that earlier in the week, he had the opportunity to speak at the kick-off meeting of the Los Angeles Chamber of Commerce High Speed Rail Taskforce. It was a very good meeting with a tremendous turnout of folks. The Chamber has always been engaged and supportive but, now seeks to become even more so.

Agenda Item # 11 – Chief Executive Officer’s Report

CEO van Ark discussed staffing at the Authority. An active search is happening now for a Chief Program Manager, Chief Financial Officer, Regional Director-Central Valley, Regional Director-Bay Area, Chief Counsel, Chief of External Affairs, Risk Manager, that would just be the senior management positions.

The LAO report was dated May the 20th. The Authority responded on June the 20th and the Legislative Peer Review Group responded to the Senate Select Committee on this report with a letter dated July 1, 2011.

Communications and Outreach on a project of this magnitude remains a huge factor. With Ogilvy leaving the project, and a search for new Communications and Outreach consultants, it is a very important task. The project contains many different alignments and touches millions of people in California.

Mr. van Ark also mentioned that it is obvious that some comments were made where people were relatively happy and thanking certain people and others being unhappy with the same staff involvement. He felt that there is not anyone from the Authority that should have any personal feelings against any person, area or section of the alignment or any County, City, or Town. He requested that if anyone found this to be true, to inform him and he would ensure that all people are treated the same.

The Authority's official budget was signed by the Governor and incorporates nearly everything that was presented at last month's meeting. There were a few smaller items that were highlighted: There was a value of \$47.3 million which was carried over from the last budget year to this 2011/2012 budget year. Then by some legislation, the Trailer Bill, about \$69 million which equates to about 1/3 of the budget would be subject to the submission by October the 14th and a 60 review of the funding plan. There would also need to be a submission of Bakersfield to Los Angeles outreach plan and a formal response to the Eshoo, Gordon statement. As well as a formal response to the LAO report which has already been submitted to the Legislature. \$2.4 million for Communications and Outreach was still in debate during the last presentation but, they did agree to that. The \$1.25 million received in the budget was for work with CalTrans, with a possibility of increasing it by \$1 million. The Authority would need to go to the Department of Finance if that extra \$1 million is needed. The \$1.1 million that had been incorporated for CalTrain on the Peninsula corridor was not approved and the Authority was informed that they should use monies that are in the other part of the budget, which is the capital outlay budget. Unfortunately, the capital outlay budget for that particular alignment section is needed for other activities. Thus there is not necessarily money in the budget for funding the Peninsula rail project joint venture with CalTrain at this stage and it is being looked into to see how that can be resolved. The budget incorporates 15 additional PY's and the Authority will be able to hire for these additional positions and would take the number of employees to 54.5. An additional \$2.25 million was included to fund the Sacramento to Merced work and \$3.22 million was included to fund the Altamont Pass which is not a pure High Speed Rail but, an Intermediate High Speed Rail joint development. There was nothing in the budget to fund the Los Angeles to San Diego section and it is still being reviewed.

Letters of request for an Agricultural Working Group was sent to county agricultural commissioners in all of the counties of the Central Valley. The letter requested their participation as well as a nomination of a technical expert. Unfortunately, there were a few responses from the commissioners themselves. There will be another attempt to seek more participation in the Agricultural Working Group.

There was a visit from the Federal Department of Transportation and of particular interest is the safety and technical aspect. Safety and High Speed Rail are very closely linked and the Authority must ensure that the correct safety standards for the United States of America and these new High Speed Rail systems will be met.

Progress on the business plan and the funding plan continues. Jeff Morales, the past executive director of CalTrans will head this activity for the Authority. Mr. Morales is presently employed for the PMT contractor, Parsons Brinkerhoff and the Authority is very happy that he has taken on this task.

There will be economic impact roundtable discussions with the various regions of the state. It will not be just the Authority but the regional economic officials that will participate as well.

Federal funding for the Bay Area positive train control project (PTC) has taken place. The Authority has signed an agreement with the FRA to put \$16 million towards the design of a signaling technology in the Bay Area which would benefit CalTrain to some extent but, it actually benefits High Speed Rail. It is there to develop an interface with many parts in our alignment where it would either run adjacent to or together with (shared track) other rail systems. It will be necessary to design a system that will allow a High Speed Rail signaling and a low speed rail positive train control signaling system to work together and that is why this particular \$16 million was requested and the FRA funded it.

In addition to the Spanish Delegation, the Koreans and the Japanese visited this month. There is a lot of interest and support from them for the project and to help on a technical basis.

There will be a small business industry forum that will take place in Fresno on September 8, 2011. This will be an opportunity to get the big industrial groups and the prime contractors together with the small business groups. The timing will fall in line with the RFQ process when these prime contractors will be contacting and building teams for small business groups.

Chairman Umberg continued the Public Comment portion of the meeting.

Meeting adjourned at 4:38 pm.